



Electricity Oversight Board

Daily Report for Monday, May 5, 2003

On Monday, the average zonal price continued to decrease, even lower than weekend levels. The zonal price at \$12.92/MWh was mixed from Sunday's price split. The zonal price were lower mainly due to over-generation. The CAISO sent a notice asking for decremental (generators would be paid to reduce output) bids in the amount of 800MW for hours between 3 a.m. and 8 a.m. As a last resort, in order to reduce over-generation, the CAISO informed that it may have to pay to dump surplus energy for those hours outside of the California market. Other indicating factors pointed to higher zonal prices:

- Increase in the natural gas price. The average natural gas price increased by two percent on Monday at \$4.88/MMBtu up from Friday's \$4.77/MMBtu
- Lower generation levels. On Monday, the unplanned generation level increased from roughly 2,300 MW to 3,000 MW. However toward the end of the day, it was at around 2,990 MW.

On hour ending 23:00, the zonal price jumped to \$66.75/MWh. This peak price could possibly be the result of generation unavailability in the duration that generators ramp down.

The CAISO changed the transmission line capacity ratings for the following branch groups:

- NOB was reduced in the North-to-South direction from 2,628 MW to 1,956 MW between the hours 7:00 a.m. and 10:00 a.m.
- COI was increased in the North-to-South direction from 2,950 MW to 4,400 MW between the hours 5:00 a.m. and 10:00 p.m.
2,950 MW to 3,800 MW between the hours 10:00 p.m. to 12:00 p.m.

Figure 1 - SP15 & NP15 7-Day Rolling Average Prices

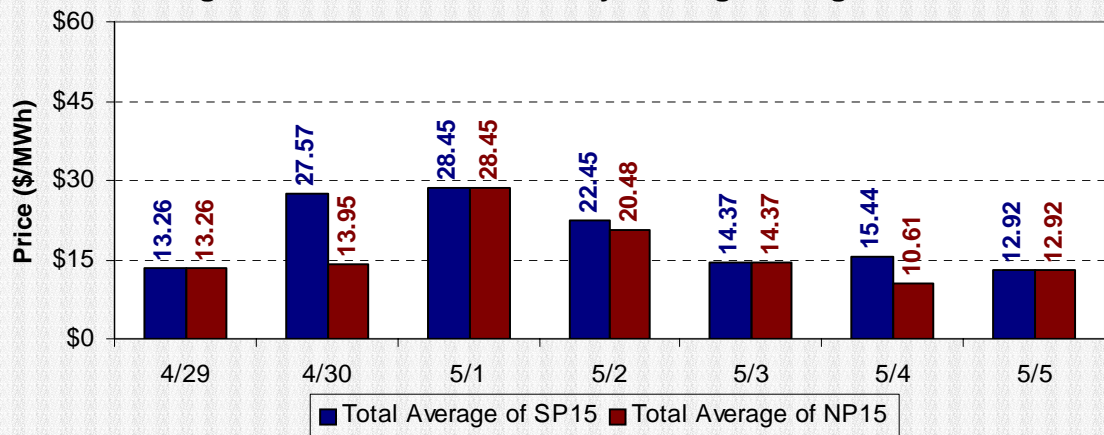
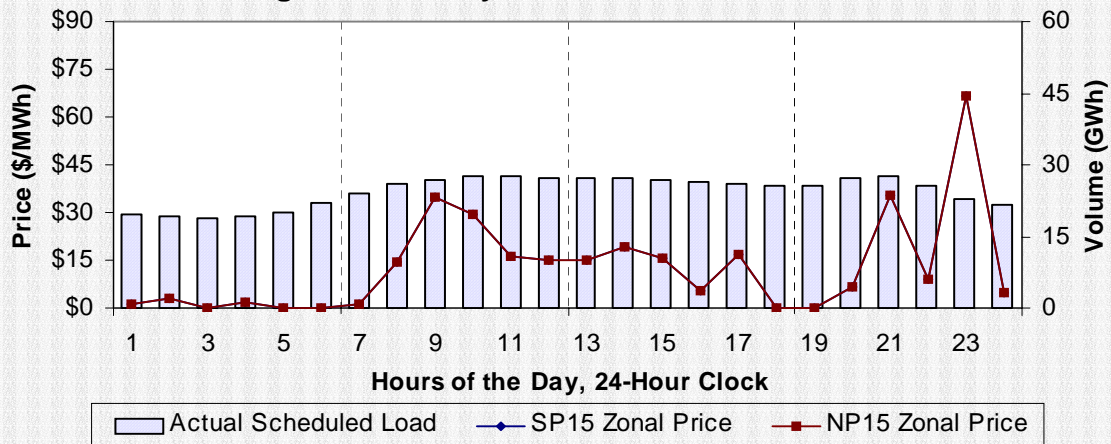


Figure 2 - Hourly Zonal Price and Volume





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Figure 3 - On-Peak Average Price by Market Area

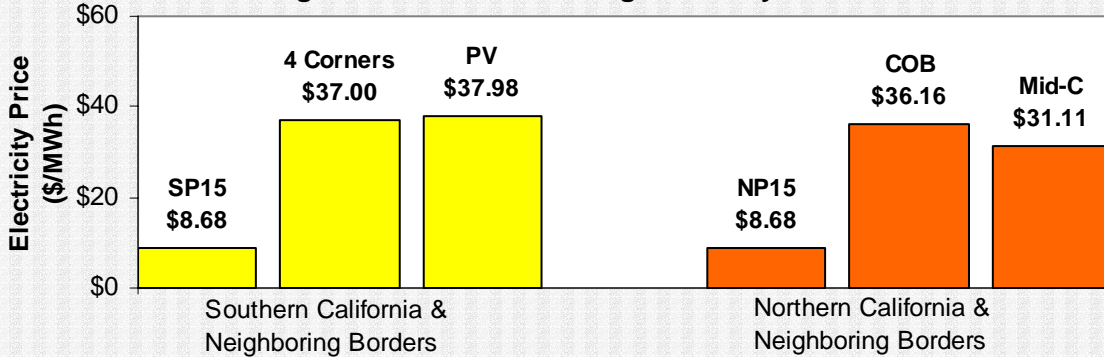


Figure 4 - Seven Day Snapshot of NP15 Zonal Price

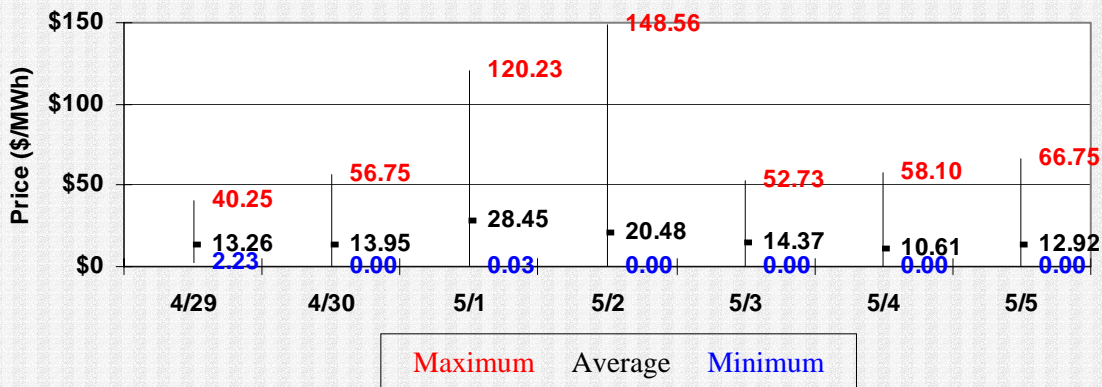


Figure 5 - Average Natural Gas Price

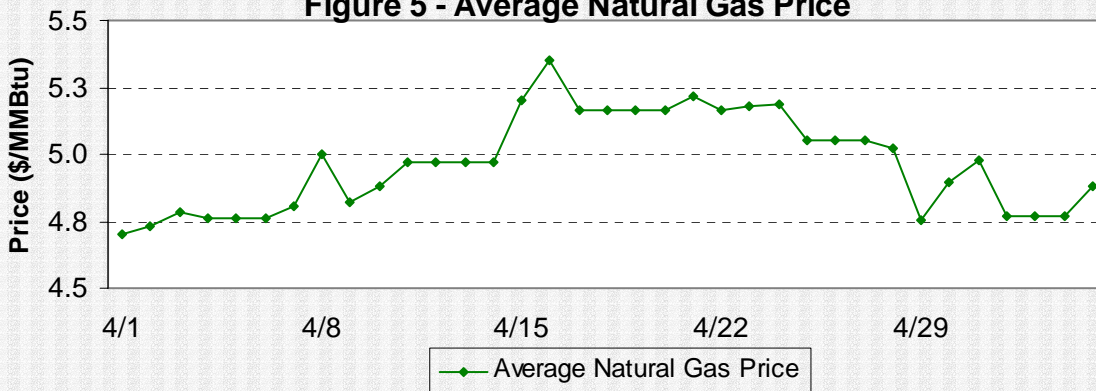


Figure 6 - Average Daily Zonal Price & Total Actual Load

